

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
v.	:	DATE FILED: _____
THAI DUC LUU	:	VIOLATIONS:
	:	18 U.S.C. § 371 (conspiracy to
	:	defraud the United States - 1
	:	count)
	:	26 U.S.C. § 7206(2) (filing false tax
		return - 3 counts)

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

1. ABC Power Services, LLC (“ABC Power”) was a temporary employment service located in Philadelphia, Pennsylvania and elsewhere. ABC Power provided workers to a client business located in New Castle, Delaware for a fee.
2. Manpower Service, LLC (“Manpower”) was a temporary employment service located in Philadelphia, Pennsylvania and elsewhere. Manpower provided workers to a client business located in Klingerstown, Pennsylvania for a fee.
3. Defendant THAI DUC LUU operated and controlled ABC Power and Manpower.
4. ABC Power and Manpower were required to collect, truthfully account for, and pay over to the United States, taxes imposed by Title 26, United States Code, namely Federal Insurance Contribution Act (“FICA”) taxes, also known as Social Security taxes and

Medicare taxes, collectively referred to as employment taxes. The total amount of employment taxes due and owing to the United States on those wages are reported by the filing of the Internal Revenue Service (“IRS”) Form 941 known as the “Employer’s Quarterly Tax Return” (“Form 941”). The amount of employment taxes due on wages is to be paid with the filing of the Form 941.

5. Between in or about August 2000 and in or about early 2002, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendant

THAI DUC LUU

conspired and agreed with Hen Nguyen, charged elsewhere, and others known and unknown to the grand jury to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful functions of the Internal Revenue Service of the Department of the Treasury in the ascertainment, computation, assessment and collection of employment taxes.

MANNER AND MEANS

6. It was a part of the conspiracy that defendant THAI DUC LUU and others known and unknown to the grand jury prevented the IRS from discovering and determining the individual employees who worked for ABC Power and Manpower and the actual wages paid to employees of ABC Power and Manpower, and prevented the IRS from assessing and collecting employment taxes due.

It was further a part of the conspiracy that:

7. ABC Power and Manpower entered into agreements with client businesses to handle employee matters, including the withholding and the payment of federal taxes, including employment taxes.

8. Defendant THAI DUC LUU and others known and unknown to the grand jury secured temporary workers to work for ABC Power at the client location in New Castle, Delaware and for Manpower at the client location in Klingerstown, Pennsylvania.

9. Between in or about July 2001 and in about December 2001, ABC Power received payments in excess of approximately \$500,000 from the client business for services provided.

10. ABC Power did not maintain documentation identifying each worker by name, address and social security number.

11. ABC Power failed to report to the IRS the actual number of employees who worked for ABC Power and the total wages and compensation paid.

12. ABC Power failed to pay to the United States additional employment taxes due for the third and fourth quarters of 2001 in an amount in excess of approximately \$50,000.

13. Between in or about July 2001 and in about September 2001, Manpower received payments in excess of approximately \$200,000 from the client business for services provided.

14. Manpower did not maintain documentation identifying each worker by name, address and social security number.

15. Manpower failed to report to the IRS the actual number of employees who worked for Manpower and the total wages and compensation paid.

16. Manpower failed to pay to the United States additional employment taxes due for the third quarter 2001 in an amount in excess of approximately \$17,000.

OVERT ACTS

In furtherance of the conspiracy, defendant THAI DUC LUU, Hen Nguyen, charged elsewhere, and others known and unknown to the grand jury, committed the following overt acts in the Eastern District of Pennsylvania and elsewhere:

1. In or about June 2001, defendant THAI DUC LUU and Hen Nguyen, charged elsewhere, on behalf of ABC Power entered into an agreement with a client business to provide workers, to maintain employment records, and to withhold and pay federal taxes, including employment taxes.

2. Between in or about July 2001 and in or about December 2001, defendant THAI DUC LUU and others known and unknown to the grand jury secured workers to work for ABC Power.

3. In or about October 2001, defendant THAI DUC LUU caused to be prepared a false Form 941, "Employer's Quarterly Tax Return," for the third quarter of 2001 for ABC Power.

4. In or about October 2001, at the direction of defendant THAI DUC LUU, Hen Nguyen, charged elsewhere, signed a false Form 941, "Employer's Quarterly Tax Return," for the third quarter 2001 reporting that ABC Power had 8 employees and paid wages in the total amount of \$28,320 during the period July through September 2001 when, in fact, ABC Power employed over 50 individuals and paid wages substantially exceeding \$28,320.

5. In or about January 2002, defendant THAI DUC LUU caused to be prepared a false Form 941, "Employer's Quarterly Tax Return," for the fourth quarter of 2001 for ABC Power.

6. In or about January 2002, at the direction of defendant THAI DUC LUU, Hen Nguyen, charged elsewhere, signed a false Form 941, "Employer's Quarterly Tax Return," for the fourth quarter 2001 reporting that ABC Power had 9 employees and paid wages in the amount of \$11,403 during the period October through December 2001 when, in fact, ABC Power employed over 50 individuals and paid wages substantially exceeding \$11,403.

7. In or about August 2000, defendant THAI DUC LUU on behalf of Manpower entered into an agreement with a client business to provide workers and to withhold and pay federal taxes, including employment taxes, for these workers.

8. Between July 2001 and September 2001, defendant THAI DUC LUU and others known and unknown to the grand jury secured workers to work for Manpower.

9. In or about October 2001, defendant THAI DUC LUU caused to be prepared a false Form 941, "Employer's Quarterly Tax Return," for the third quarter of 2001 for Manpower.

10. In or about October 2001, at the direction of defendant THAI DUC LUU, Hen Nguyen, charged elsewhere, signed a false Form 941, "Employer's Quarterly Tax Return," for the third quarter 2001 reporting that Manpower had 0 employees and paid no wages during the period July through September 2001 when, in fact, Manpower employed over 50 individuals and paid wages substantially exceeding \$0.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. ABC Power Services, LLC (“ABC Power”) was a temporary employment service located in Philadelphia, Pennsylvania and elsewhere. ABC Power provided workers to a client business located in New Castle, Delaware for a fee.
2. ABC Power was operated and controlled by defendant THAI DUC LUU.
3. Defendant THAI DUC LUU caused to be prepared documents for ABC Power containing payroll amounts that did not adequately identify each worker by name and address and did not include each worker’s social security number. Defendant LUU supplied these documents to his tax preparer for the preparation of quarterly payroll tax returns, Form 941, to be provided to the Internal Revenue Service.
4. On or about October 29, 2001, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere defendant

THAI DUC LUU

willfully aided and assisted in, and advised the preparation and presentation, to the Internal Revenue Service, of an Employer’s Quarterly Federal Tax Return for the third quarter of 2001, which was false and fraudulent as to material matters, in that defendant THAI DUC LUU falsely reported that ABC Power had 8 employees and paid \$28,320 in wages and compensation, when in fact, as he well knew, ABC Power had over 50 employees and paid wages and compensation substantially in excess of \$28,320.

In violation of Title 26, United States Code, Section 7206(2).

COUNT THREE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 3 of Count Two are incorporated here.
2. On or about January 31, 2002, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere defendant

THAI DUC LUU

willfully aided and assisted in, and advised the preparation and presentation, to the Internal Revenue Service, of an Employer's Quarterly Federal Tax Return for the fourth quarter of 2001, which was false and fraudulent as to material matters, in that defendant THAI DUC LUU falsely reported that ABC Power had 9 employees and paid only \$11,403 in wages and compensation, when in fact, as he well knew, ABC Power had over 50 employees and paid wages and compensation substantially in excess of \$11,403.

In violation of Title 26, United States Code, Section 7206(2).

COUNT FOUR

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Manpower Service, LLC (“Manpower”) was a temporary employment service located in Philadelphia, Pennsylvania and elsewhere. Manpower provided workers to a client business located in Klingerstown, Pennsylvania for a fee.
2. Manpower was operated and controlled by defendant THAI DUC LUU.
3. Defendant THAI DUC LUU caused to be prepared documents for Manpower containing payroll amounts that did not adequately identify each worker by name and address and did not include each worker’s social security number. Defendant LUU supplied these documents to his tax preparer for the preparation of quarterly payroll tax returns, Form 941, to be provided to the Internal Revenue Service.
4. On or about October 31, 2001, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere defendant

THAI DUC LUU

willfully aided and assisted in, and advised the preparation and presentation, to the Internal Revenue Service, of an Employer’s Quarterly Federal Tax Return for the third quarter of 2001, which was false and fraudulent as to material matters, in that defendant THAI DUC LUU falsely reported that Manpower had no workers and paid \$0 in wages and compensation, when in fact, as he well knew, Manpower had over 50 employees and paid wages and compensation substantially in excess of \$0.

In violation of Title 26, United States Code, Section 7206(2).

A TRUE BILL:

GRAND JURY FOREPERSON

**PATRICK L. MEEHAN
UNITED STATES ATTORNEY**